



What to Say When Clients Ask You to Cut Your Commission

Sellers often have three reasons for asking you to cut your commission:

1. **They don't have enough equity in the property.** In that case, it is a real need because they can't afford to pay off the mortgage on the property, you and other costs.
2. **They are just being savvy consumers, looking for the best deal that they can get.** We all want a good deal, and most clients feel it is at least worth a shot to see if they can save money.
3. **They don't see the full value you bring to the table.**

While the first case is a bit out of your control, when it comes to the last two, it's up to you to prove your value to the client. So rather than act stunned or, worse, become angry, when a client asks you to lower your rate, realize that it is part of the negotiation process. Additionally, every situation is different, and in some situations, it may make business sense to cut your commission.

However, you don't want to immediately volunteer to slash your rate. Doing so devalues your worth and when you concede so quickly, clients are more likely to nitpick you through the entire process. After all, if you were so quick to take less money for your services, clients may assume that you don't know what you are doing. Instead of immediately agreeing to work for less—or walking away—use these scripts to prove that you are worth every penny you'll earn:

Client's Statement	Your Response
<p>"Is your commission negotiable?"</p>	<p>You can say firmly, "No, my commission is non-negotiable," but you risk losing the business. If you are OK with that, make this your go-to.</p> <p>However, we suggest getting to the root of the issue first: "I will gladly talk to you about my commission. Why do you ask?" You may find out that clients don't have equity, that they want to save money, or that they are "just curious." Regardless, it opens a conversation. Then you can explain what your commission covers.</p> <p>"This commission is really a marketing fee. It covers my earnings, certainly, but it also covers the advertising and marketing costs for your property, and the administrative support of my brokerage company. If I cut my rate, I will have less money to market your property. That's why I don't reduce my rate. I want to do what it takes to sell this property quickly."</p>



<p>“We’ll work with you if you lower your commission.” (The person doesn’t have a financial need, but is merely looking for a deal.)</p>	<p>“I’ve presented you with my premium marketing plan to sell the house for the highest amount in the quickest time. If you want to pay a lower commission, I’m sure there are less experienced agents out there who will work for less.”</p> <p>“I work with sellers who want premium service, and my rate ensures that I can help you sell your house quickly for the highest possible price. If you want to lower the commission, I would be happy to refer you to an agent who provides less service.”</p>
<p>“I don’t have enough money to close.”</p>	<p>This one is tough, but it is a good opportunity to talk about the realities of the market, and the bigger question of whether it is realistic to sell at this time. You might say “I understand your situation. Perhaps now is not the best time to sell. Maybe we should wait until the market picks up a bit.”</p> <p>Additionally, you could offer insight on other ways to find the money for closing or even renting the property until the market rebounds. Ultimately, the person may not be able to afford you, and you will have to decide if you want to walk away or take less.</p>
<p>“The buyer is asking for repairs or a price reduction. I need more money from the sale. Can you help by cutting your commission?”</p>	<p>“As we discussed during our first meeting, my commission is not part of the negotiation. However, we can propose a counteroffer to the buyers, and see if they will up their offer or back off on some of their requests. They may withdraw their offer, but if that extra money is more important to you now than selling quickly, I will follow your lead.”</p>
<p>“We’ve already lowered our asking price by _____. It seems only fair that you lower your commission given that you didn’t get the price we originally asked for.”</p>	<p>“Remember that my rate is based on a percentage of what the property sales for, not what we originally listed it at. I have committed 100% of my effort to selling your home quickly, with little hassle to you, and for the highest price we could get. We didn’t hit the original asking price, but my level of service didn’t change, and neither will my rate.”</p>
<p>“We need more money to put down on our new home, and we can’t afford to pay your rate.”</p>	<p>“I understand where you are coming from, but this is the rate I charge all my clients because of the level of service I provide. Fortunately for you, the market is a buyers’ market, so you will likely get a great deal on a new home.” This could also open a conversation about whether this is the right time to sell.</p>



“Another agent said he/she would charge a lower commission.”

“That’s surprising to me, and I’d like you think about something: If he/she won’t defend the hard-earned money that he/she uses to support him- or herself, are you confident in his/her ability to go to battle for you and negotiate on your behalf? What demands will he/she quickly give into?”

“I can understand if you want to go with a lower rate, but I’ve been in the business for a long time, and agents who discount their fees are often desperate for business. That means they have less money to invest in marketing your home or that they too quickly cut the price of your home because they need to close the deal.”

“How do you think that will lower his/her service to you? Your home is your largest asset, and I wouldn’t trust it with someone who won’t give you 100%. Whether it is me or not, you should go with an agent who is going to offer premium service.”

“I think _____ is too high for what you are providing; the house will basically sell itself.”

This one you can often avoid by laying out a clear marketing plan. Still, if a potential client says it to you, respond with:

“Remember, I’m taking the risk, not you. I put in the money to market the property. I spend hours working for you, and if the property doesn’t sell, I don’t make money. I don’t take my job lightly and will commit 100% to selling your property.”

“To prove my value to you, I’ve put together this 25-item list of the steps I’ll take during the sales process. I handle all this, eliminating as much hassle for you as possible. Not only that, but I know this market, so I know how to price your home and position it so that we sell it as quickly as possible. In a market like this one, I am worth every penny that you will pay me.”